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**The
Farmers
Bank**

FARMERS TRUST & SAVINGS BANK

September 7, 2005

FDIC San Francisco Regional Office
Director Johns F. Carter
25 Jessie Street
Ecker Square, Suite 2300
San Francisco, CA 94105

Dear Mr. Carter,

I am writing to oppose the Wal-Mart ILC pending application on a Utah based ILC. We are a \$225 million independent community bank in Northwest Iowa.

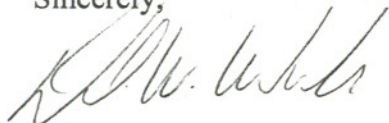
Wal-Mart has a super center in our community of 11,000 and since their arrival, K-Mart has closed, Shopko has closed, and a locally owned Super Value grocery store has closed.

I have two reservations about the proposed application.

- First, it appears to me that financial institutions that pursue supermarket branches do so to attract deposits. I am concerned that Wal-Mart's entry into banking would suck existing deposits out of the community leaving banks with the local loan demand and no funding sources, requiring them to increase their risk profile through the use of additional alternative funding sources.
- Second, while Wal-Mart appears very profitable, they do compete on price and I think local community banks would find net income further compressed due to the price competition. I still believe a strong community banking system is vital to rural America.

Therefore, I oppose the Wal-Mart pending application and believe that mixing banking and commerce is a bad policy decision.

Sincerely,



David W. Woodcock
Sr. Vice President/Cashier

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